 Missouri Department of Natural Resources Administrative Policies and Procedures		
Chapter 7 Financial Management/Purchasing Purchasing Policy		
Purchasing Card Policy	Effective date	Revised
Number: 7.12	June 25, 2012	

REFERENCES

DNR policies and procedures

Out of State Travel 6.02
 Travel Policy 6.04
 Expense Accounts 7.01
 Purchasing 7.06
 Purchasing Card Procedure 7.12-01
 Payments 7.07

Related resources

State of Missouri, Office of Administration, Purchasing Card Program, Policy &
 Procedure Manual

DEFINITIONS

Authorized approver: Individual authorized to review and approve for payment the cardholder's monthly statement.

Department Purchasing Card Coordinator: Department liaison with Office of Administration responsible for Purchasing Card Program coordination located in the Division of Administrative Support (DAS), General Services Program.


Division Purchasing Card Coordinator: Division appointment responsible for the coordination of the Purchasing Card Program with the Department Purchasing Card Coordinator.

Back-up Division Purchasing Card Coordinator: Back-up for Division Purchasing Card Coordinator.

PURCHASING CARD PROGRAM

The purpose of the Purchasing Card Program is to establish a more efficient, cost-effective method of purchasing and paying for goods and services within established limits. The program is designed to reduce the number of purchase orders and checks issued and enhance efficiency within the agency.

The Purchasing Card Program will be administered by the Department Purchasing Card Coordinator in the DAS General Services Program and Division Purchasing Card Coordinators in each division. The State Purchasing Card Program is contracted through the Office of Administration.

 Missouri Department of Natural Resources Administrative Policies and Procedures		
Chapter 7 Financial Management/Purchasing Purchasing Policy		
Purchasing Card Policy	Effective date	Revised
Number: 7.12	June 25, 2012	

Each division must appoint one Division Purchasing Card Coordinator. A backup division coordinator should also be appointed to assist the Division Purchasing Card Coordinator. The names, telephone numbers and E-mail addresses of the coordinator(s) must be sent to the Department Purchasing Card Coordinator.

This policy does not negate any other Departmental or Divisional policies and procedures. They must be followed accordingly.

USE OF PURCHASING CARD

The intended use of the purchasing card is to more effectively and efficiently procure good(s) and/or service(s). The decision to utilize the purchasing card should be made at the time the order is placed, not after the good(s) or service(s) are received and invoiced. The risk of compromising established internal controls to prevent duplicate payments increases when the Purchasing Card is used to pay an invoice. If extenuating circumstances require the Purchasing Card to pay a vendor invoice after good(s) or service(s) are received, then a payment confirmation from the vendor must be included with the supporting documentation.


The purchasing card is NOT intended:

- to avoid or bypass Department procurement or payment policies and procedures;
- to be used for any items on the unallowable items list (see Attachment 2 of the Purchasing Card Procedures);
- to replace the current Visa Individual Business Travel Card;
- for personal use; or
- to be used if unallowable for specific grants (example American Recovery and Reinvestment Act related grants).

It is the intent of the Department that the purchasing card be the means of payment for items meeting the following requirements:

- purchase amount is \$1,000 or less; or
- for travel related expenses to include lodging and commercial transportation including airfare (individual meals are excluded); and
- items to be purchased are not listed as an excluded item on the State Purchasing Card Cardholder Agreement; and
- the vendor accepts procurement cards.

If a purchase is billed directly to the Department and is \$1,000 or less, the invoice must be documented to justify why the Purchasing Card was not used.

 Missouri Department of Natural Resources Administrative Policies and Procedures		
Chapter 7 Financial Management/Purchasing Purchasing Policy		
Purchasing Card Policy	Effective date	Revised
Number: 7.12	June 25, 2012	

PURCHASING CARD LIMITS/VENDOR RESTRICTIONS

Purchasing cards are set up with a standard per transaction limit and a standard cycle/card limit. The standard per transaction limit is \$1,000 and the standard cycle/card limit is \$3,000. These limits include shipping and handling. These limits may be more or less based on the need of the cardholder and approval of the division/program.

Purchasing cards are also set up to accept standard types of purchases such as office supplies, and other day-to-day purchases. Some vendor types are restricted such as restaurants. These standard vendor restrictions may be modified based on the cardholder's needs and approval of the division/program.

Transaction limits and vendor restrictions can be modified on a one-time basis or on a full-time basis depending on the needs of the cardholder.

There are two types of accounts: standard and multipurpose. The standard account allows purchases of commodities and services but does not allow travel expenditures. The multipurpose account allows the purchase of commodities and services as well as business travel-related expenditures, excluding meals. This type of account is recommended for staff that travels frequently, incurring lodging expenses or staff that is responsible for ordering commodities and services and also makes travel arrangements.


CARD MAINTENANCE

Employees interested in receiving a State Purchasing Card for official State business must read and understand this policy as well as other related policies such as: Out of State Travel, Travel Policy, and Purchasing; the Purchasing Card Procedures and the Cardholder Agreement. Cardholders must also attend Purchasing Card training prior to receiving their card.

If the card is declined, the cardholder may contact the Department or Division Purchasing Card Coordinator to help determine if the card was declined due to blocking of the vendor or exceeding the monthly cycle limit or single transaction limit imposed on the card, etc.

Purchasing cards expire every two years. A renewal card will be automatically issued before the expiration date. Cardholders must attend a refresher Purchasing Card training prior to receiving their card. The expired card must be destroyed on-site.

To cancel a card or close an account, the Department Purchasing Card Coordinator will notify UMB once a completed Purchasing Cardholder Account Action Request form has been received.

 Missouri Department of Natural Resources Administrative Policies and Procedures		
Chapter 7 Financial Management/Purchasing Purchasing Policy		
Purchasing Card Policy	Effective date	Revised
Number: 7.12	June 25, 2012	

Lost or stolen purchasing cards must be reported immediately to UMB (1-800-821-5184) and to the Department and Division Purchasing Card Coordinators. Immediate notification of a lost or stolen purchasing card will prevent the cardholder from being held personally responsible for the payment of unauthorized purchases.

PURCHASING CARD MONITORING

Monitoring of purchasing card activities will be the responsibility of the Department Purchasing Card Coordinator. New cardholder activities will be monitored 100% for the first six cycles of usage and other cardholder activities will be randomly reviewed each month. The Department Purchasing Card Coordinator will also monitor potential purchases that could have been put on the purchasing card.

In addition to monthly monitoring, the Department Purchasing Card Coordinator will work with Divisional Coordinators to review spending trends to ensure appropriate transaction and cycle limits are set and to determine if cards with non-activity should be closed. If policy or procedure violations occur, card privileges can be rescinded. The Department reserves the right to cancel a card at any time.


CARDHOLDER RESPONSIBILITIES

The cardholder is responsible for the security of the purchasing card and the transactions made against it. Transactions which violate any Department or State policies or procedures may result in personal liability.

The Purchasing Card commits taxpayer funds each time it is used by the cardholder. This is a responsibility that cannot be taken lightly. If suspected fraud or misuse is committed with a State Purchasing Card, it must be reported to the Division Purchasing Card Coordinator and/or Department Purchasing Card Coordinator immediately. Fraud or misuse may also be reported to the State Auditor's Office via their confidential hotline at 800-347-8597.

VIOLATIONS

The cardholder is responsible for and accountable to the Department for all charges made with the State Purchasing Card. Violation of any policies or procedures of this program will result in an evaluation of the cardholder's privileges. Improper use of the purchasing card may cause revocation of the card, disciplinary action up to and including termination, and may subject the cardholder to criminal prosecution. Amounts attributable to improper use by the cardholder may be withheld from the cardholder's paycheck or any other State of Missouri payments made payable to the cardholder.

 Missouri Department of Natural Resources Administrative Policies and Procedures	
Chapter 7 Financial Management/Purchasing Purchasing Policy	
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Number: 7.12	June 25, 2012

If a purchase appears inappropriate on the monthly billing statement, the cardholder must supply written justification to the authorized approver and/or the Division Purchasing Card Coordinator, as appropriate. If the justification is insufficient, appropriate action is at the discretion of the Department. Steps should be taken to return the goods for a credit on the account or the cardholder will have to pay the vendor directly and the vendor will refund the Purchasing Card. The Department can also elect to have the cardholder pay the bank directly using their own personal funds. Questions concerning the appropriateness of a purchase should be directed to the appropriate Division Purchasing Card Coordinator and/or the Department Purchasing Card Coordinator prior to making the purchase.

Purchasing cards are the property of the State of Missouri and are only to be used for State of Missouri business purchases as defined in this policy. **Personal use of the card is prohibited.**

Splitting transactions to bypass single transaction limits, monthly billing cycle limits, and/or purchasing policies and procedures is strictly prohibited.


CONVENIENCE FEES

Vendors are prohibited from imposing “surcharges” on transactions. However, vendors may charge “convenience fees” for accepting a credit card transaction as a convenience to the customer if it is considered an alternative payment method. “Convenience fees” should be a minimal charge. Questions/concerns regarding the “convenience fees” may be directed to the Division Purchasing Card Coordinator and/or the Department Purchasing Card Coordinator.

The decision to use a State Purchasing Card on a purchase that will incur a convenience fee should be based on variables such as timeliness of payment to avoid late fees, urgency of needed items or services, etc. Cardholders are asked to carefully evaluate the necessity of State Purchasing Card transactions subject to convenience fees.

THIRD PARTY PROCESSORS

If a purchase is made using a third party processor, such as PayPal, cardholders should obtain their authorized reviewer/approvers written approval prior to engaging in the transaction. If it is not practical to obtain the reviewer/approver’s pre-approval, the reason should be justified on the associated invoice.

 Missouri Department of Natural Resources Administrative Policies and Procedures		
Chapter 7 Financial Management/Purchasing Purchasing Policy		
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SALES TAX

All transactions are exempt from State of Missouri sales and use tax. The state statute information and the state sales tax exemption number are printed on the back of the purchasing card. The cardholder is responsible for ensuring sales tax is not included in each charge.

RECEIPTS OF GOODS AND SERVICES

The cardholder is responsible for ensuring receipt of goods and services and must follow-up with the vendor to resolve any delivery problems, discrepancies, and damaged goods.

Record keeping is essential to ensure the success and compliance of the program. To facilitate the reconciliation and approval process, the cardholder is responsible for keeping all credit card slips, cash register receipts, packing slips, etc., until submitted with the monthly statement to the authorized approver.

The cardholder must notify fiscal personnel when using the purchasing card to acquire equipment or other assets over the SAM II threshold dollar amounts, so the Fixed Assets System reflects the correct transaction vendor.

RECONCILIATION AND APPROVAL PROCESS

The cardholder will receive monthly billing statements. Cardholders will receive an email notification when their new monthly statement is available online. This method enhances the ability to process payment promptly. The cardholder is responsible for retrieving, reviewing and reconciling the monthly statement and verifying all transactions.

Statements must have the appropriate certification by the cardholder and authorized approver.

Monthly statements must be paid promptly for the program to be a success. Payments must be entered into SAM II within 30 days of the statement end date.

DISPUTED MONTHLY STATEMENT CHARGES

It is also the cardholder's responsibility to contact and follow up with the vendor on any erroneous charges, returns or other disputed items within one working day of discovering the item.